

The Story Behind the Numbers...

Where in Workforce Information consider ourselves data geeks. We have an enormous amount of data that gives us a summary representation of the Utah economy from the perspective of the labor market. From this data we are able to produce powerful statistics such as the unemployment rate, occupational wages, and the job growth rate. These numbers are interesting to the data geeks, but can sometimes be an unfriendly way to depict labor market conditions.

IOne particularly interesting fact that has come out of our latest data is that the construction industry in Utah is booming. Statewide, construction experienced a year-over average job growth rate of 11.9 percent in the third quarter of 2005, and at this point, there seems to be no sign of slowing in the immediate future.

But what does that 11.9 percent growth in construction jobs really mean? More specifically, how does that growth rate affect the people on the construction site? Sometimes we data geeks have to be reminded

that there is a story behind the numbers. To understand this particular story, I decided to ask two of the largest commercial building contractors in the state how they are dealing with the tight labor market.

Lorna Williams, human resources director at Jacobsen Construction, reported that many modifications have been made to company hiring policies in order to compensate for the effects of current labor market conditions. On many recent occasions, under-qualified job candidates have been hired and then given on-the-job training to get them to the skill level needed. Lorna believes that this is simply a result of the growth in demand for skilled employees out-pacing the supply.


Layton Construction has felt the pinch as well. Bryan Webb, a preconstruction manager, asserts that the tight labor market has even affected Layton's choice in construction projects. The inability to call upon additional workers during the crunch time of a project puts Layton in the position to have to carefully select and schedule the projects they pursue.



Employee retention also becomes an issue when labor markets tighten. When there are more positions than qualified workers, employers run the risk of losing their workers to others willing to pay a higher wage or offer better benefits or working conditions. In order to retain their employees, Jacobsen increased wages for all employees on two separate occasions in 2005. Both Jacobsen and Layton also offer cash incentives to existing employees who recruit new workers. In addition, Bryan reports that current Layton employees are working longer-than-normal hours and under tighter schedules to compensate for the shortage.

So, if reading this makes you want to pursue a construction career, Lorna and Bryan have some advice for you. The key is to find opportunities to learn everything you can about the construction industry, as experience and knowledge are invaluable in these labor market conditions. Also, if you're hoping to train in a skill that is currently in high demand, Bryan suggests looking into millwork, electrical, concrete and steel.

For those of you who find construction interesting but picture yourself behind a desk instead of wearing a hardhat, you should know that construction management is also facing a labor shortage. If you have skills in scheduling, cost estimating, and business development, there are numerous opportunities for you to apply those skills in the construction industry. Opportunities in construction management exist for those with and without a college degree, so even if you don't have a bachelor's degree, with some experience you can still find opportunities to work behind a desk!

Thanks to Lorna Williams of Jacobsen Construction and Bryan Webb of The Layton Companies for their contributions to this article. 

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